



State of Delaware Flex Summary

What is a Flexible Spending Account?

A Flexible Spending Account (FSA) is a **tax-free health care and/or dependent care account** that allows you to pay for essential **health care expenses** that are not covered, or are partially covered, by your medical, dental and vision insurance plans; or pay for **child/dependent care expenses**. By contributing a portion of your payroll dollars into your FSA on a pre-tax basis, you can save from 25% to 40% on the cost of eligible expenses you are already accruing. You save money to pay for your out-of-pocket health care expenses, including prescription drug costs, medical, dental, vision and hearing expenses and/or your child or dependent care expenses, including day care, baby sitting, in-home care for older dependents and before & after school care expenses incurred during the plan year, and the subsequent 2 ½ month grace period.

When you enroll in an FSA, you decide how much to contribute to each account for the entire plan year. The money is deducted from your paycheck pre-tax (before Federal & State income taxes and FICA taxes are deducted) in equal amounts, over the course of the plan year. After you incur expenses that qualify for reimbursement, you submit claims (reimbursement requests) to ASIFlex to request tax-free withdrawals from your FSA to reimburse yourself for these expenses.

Please note all expenses must be incurred while you are an active enrolled employee as coverage terminates upon termination of employment or retirement unless you elect COBRA continuation coverage.

It's as Easy As: **-1-** Deciding your Annual Election **-2-** Incurring Expenses **-3-** Submitting Expenses to Get Your Tax Break



Reduce your health care and child care expenses by 25% to 40% by using your FSA!

Health Care FSA Overview:

The key to getting the most out of your Health Care FSA is to maximize your contributions based on the expenses you, or any of your tax dependents, anticipate incurring during the plan year. You can set aside a minimum of \$50 and a maximum of \$4,000 per year. To plan your annual election amount:

- 1) Review the list of eligible expenses (www.asiflex.com has a comprehensive list).
- 2) Review your medical expenses from last year.
- 3) Write down any additional eligible expenses you anticipate incurring in the coming year.
- 4) Be sure to include at least some money to cover your deductible expenditures.
- 5) Estimate your cost for each of these FSA eligible expenses. (Don't forget that your tax dependents' expenses qualify, too, even if they are on a different health insurance program.)

What healthcare expenses can I use my Healthcare FSA for?

Partial list of qualified medical expenses:

- ✓ Deductibles
- ✓ Copays
- ✓ Doctor's fees
- ✓ Dental expenses
- ✓ Prescription glasses
- ✓ LASIK surgery
- ✓ Prescription drugs & insulin
- ✓ Chiropractor's fees
- ✓ Over-the-counter meds (used to treat a medical condition)
- ✓ Orthodontia (See specific requirements)

Your FSA **cannot** be used for:

- ✓ Insurance premiums
- ✓ Cosmetic procedures (such as face lifts, teeth whitening, veneers, hair replacement, etc.)
- ✓ Clip-on or nonprescription sunglasses
- ✓ Toiletries
- ✓ Long-term care expenses
- ✓ Drugs, herbs, or vitamins for general health and not used to treat a medical condition
- ✓ Warranties

Check out www.asiflex.com for more eligible expenses

Purchasing with Pre-Tax Dollars

The examples below assume a net tax rate of 30%. Your personal tax rate may vary, and your savings will vary according to your net tax rate. Utilize our Tax Savings Calculator (found at www.asiflex.com) to estimate your expected savings based upon a number of variables.

	Annual Cost	-	Net Cost	=	Tax Savings
Deductibles for Adults (2)	\$1,000		\$700		\$300
Deductibles for Children (2)	\$1,000		\$700		\$300
Eyeglasses	\$400		\$280		\$120
Prescription Co-pays (annual)	\$360		\$252		\$108
Chiropractic services	\$240		\$168		\$72
and many others...					



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Dependent Care FSA Overview

Dependent Care FSAs create a tax break for dependent care expenses (typically child care or day care expenses) that enable you to work. If you are married, your spouse must be working, looking for work or be a full-time student. **If you have a stay-at-home spouse, you should not enroll in the Dependent Care FSA.** The IRS allows no more than \$5,000 per household (\$2,500 if you are married and file a separate tax return) be set-aside in the Dependent Care FSA in a calendar year.

Please note that IRS regulations disallow reimbursement for services that have not yet been provided, so even if you pay in advance for your expenses, you can only claim service periods that have already occurred. **Eligible expenses** include day care, baby-sitting, & general purpose day camps. **Ineligible expenses** include overnight camps, care provided by a dependent, your spouse or your child under the age of 19 & care provided while you are not at work.

General FSA Information:

Important Note -- Use It Or Lose It

Claims for either the Health Care FSA or Dependent Care FSA must be incurred during the eligible period of coverage AND be submitted to ASIFlex in a timely manner each year. Any unclaimed dollars remaining in your account will be forfeited to your employer.

Remember you must re-enroll in the FSA program *each year* (even if you don't want your deduction amount to change).

How do I enroll?

You enroll online through ASIFlex's website, <https://secure.asiflex.com>, employer code DE. **Enrollment runs from November 3rd through November 24th; you must complete the enrollment by November 24th.**

What is the Plan Year and corresponding FSA Grace period?

The 2009 Plan Year runs from January 1st, 2009 to December 31st, 2009. Expenses must be incurred (meaning that the services you are claiming must take place) during this time frame.

Additionally, the State of Delaware has adopted the FSA Grace Period in order to reduce the chance that participants forfeit money in the FSA program. All FSA claims for services provided January 1, 2010 through March 15, 2010 will **automatically be processed against available funds from the 2009 plan year first** if you have money left in the 2009 plan year *and* if the claims are filed by the claims filing deadline (April 15th, 2010) for that plan year. ASIFlex's program will automatically pay against the 2010 plan year any remaining portion of this claim not paid by the 2009 plan year. If you would like to have claims incurred during the grace period applied to the 2010 plan year, please indicate this on your claim form.

When can I start requesting reimbursement?

You can start submitting requests as soon as services are provided, but eligible expenses can only be incurred on, or after, the first day of your plan year. For the Health Care FSA, the full annual contribution amount is available on the date your enrollment begins. For the Dependent Care FSA, you are allowed to be reimbursed only up to what you have had deducted from your paycheck at that point, but requests in excess of this amount will be reimbursed as additional deductions are taken from your paycheck. You may submit reimbursement requests for either account as frequently, or infrequently, as you prefer.

To request reimbursement from your FSA, you must fax or mail a completed Flex Claim Form (found online at www.asiflex.com) and supporting documentation to ASIFlex. All reimbursement requests must be submitted to ASIFlex by April 15th, following the end of the plan year.

How will I receive reimbursement?

If you are already enrolled to receive your FSA reimbursements via direct deposit and you want your reimbursements to continue going to the same checking or savings account, you do not have to fill out a new direct deposit form. Your direct deposit information will stay the same from year-to-year until you request otherwise. If you are new to the FSA program, the default reimbursement method for ASIFlex will be to mail you a check. However, you also have the option to sign up to receive reimbursements by direct deposit to a checking or savings account.

Whom do I contact if I have questions?

ASIFlex Customer Service

1-800-659-3035

Monday – Friday, 7 a.m. – 7 p.m. Central Time

Saturday, 9 a.m. – 1 p.m. Central Time

E-mail: asi@asiflex.com

ASIFlex's Website: www.asiflex.com

